

*Citation for published version:*

Liu, G & Ko, WW 2014, 'An integrated model of cause-related marketing strategy development', *AMS Review*, vol. 4, no. 3-4, pp. 78-95. <https://doi.org/10.1007/s13162-014-0061-5>

*DOI:*

[10.1007/s13162-014-0061-5](https://doi.org/10.1007/s13162-014-0061-5)

*Publication date:*

2014

*Document Version*

Peer reviewed version

[Link to publication](https://doi.org/10.1007/s13162-014-0061-5)

The final publication is available at Springer via <http://dx.doi.org/10.1007/s13162-014-0061-5>.

**University of Bath**

**Alternative formats**

If you require this document in an alternative format, please contact:  
[openaccess@bath.ac.uk](mailto:openaccess@bath.ac.uk)

**General rights**

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

**Take down policy**

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

## **An Integrated Model of Cause-Related Marketing Strategy Development**

### **Abstract**

Researchers in the fields of marketing and corporate social responsibility have suggested that cause-related marketing (CRM) can provide firms with opportunities for managing their community relationships, and enhancing their marketing, financial, social and environmental performance. In this article, we offer a conceptual framework that helps to broaden the understanding of how CRM strategy is likely to be developed. We identify three key CRM strategy development components: motivational factors, strategy design, and campaign tactics. The conceptual framework is constructed based on these three components to explore how the key CRM drivers influence the CRM implementation plan, which subsequently leads to the development of different campaign styles. We also propose that the firms' emphasis on value delivery systems in the process of CRM strategy development plays an important role in influencing the direction in which they wish to assemble their CRM campaign.

**Keywords:** Cause-Related Marketing, Relationship Management, Organizational Legitimacy, Stakeholder Management, Value Propositions

## INTRODUCTION

Although a firm's engagement in corporate social responsibility (CSR) activities can be driven from the foundational ethical principles and values related to the firm's obligations toward society (Aguilera et al. 2007; Garriga and Melé 2004), scholars also indicate that a firm can use CSR as a strategic instrument to achieve a desirable outcome (e.g. Donaldson and Preston 1995; Homburg et al. 2013; Husted and Allen 2007; Saiia et al. 2003). There is evidence that socially responsible firms can outperform their less socially responsible rivals (McGuire et al. 1988; Orlitzky et al. 2003). To capitalize on firms' CSR activities, researchers have suggested that cause-related marketing (CRM), a combination of marketing and CSR, can provide firms with opportunities to manage their community relationships, and enhance their marketing, financial, social and environmental performance (Adkins 1999; Garriga and Melé 2004; Smith and Alcorn 1991).

The current literature related to CRM strategy development is scattered across three different domains. The first stream of literature studies the antecedent conditions of CRM strategy design. It focuses on discussing the typology of the drivers for firms to engage in CRM strategy design, such as building a positive corporate identity (e.g. Hildebrand et al. 2011; Maignan and Ferrell 2004), improving the company's reputation for social responsibility (e.g. Sen and Morwitz 1996; Szykman et al. 2004), enhancing brand recall (e.g. Hamiln and Wilson 2004; Strahilevitz and Myers 1998), and so on. The second stream of literature focuses on the nature of CRM strategy design. It discusses how firms can design CRM strategically to achieve their planned objectives. Scholars highlight the dual foci of firms' commercial and social objectives and how firms should develop their CRM strategy in the process of achieving these objectives (e.g. Homburg et al. 2013; Muller and Kräussl 2011; Payne et al. 2005; Svensson and Wood 2007). Summarizing the advances made by this line of research and observing firms' marketing decision patterns through qualitative data, Liu

(2012) introduces two distinct logics for designing CRM strategy (i.e. instrumental and relational), and the relevant marketing and management decisions associated with them. Finally, the third stream studies the consequences of CRM strategy design. It focuses on how firms can translate CRM strategy into different types of campaign tactics to influence people's perception about the firms. For example, Smith and Alcorn (1991) indicate that CRM campaigns can be developed according to one of three tactics of corporate sponsorship, such as media support, media support plus conditional donation, and media support plus dual incentive donation. Berglind and Nakata (2005) suggest that the three most common campaign tactics are transactional programs, message promotion programs and licensing programs. Liu and Ko (2011a) propose four main approaches whereby firms can develop CRM campaigns tactically, such as sponsorship, transaction-based, joint-promotion, and donation-in-kind.

Although these three streams of literature have generated powerful and enduring insights into CRM strategy development, no effort has been made to connect these domains together to offer a cohesive picture of how CRM strategy is likely to be developed. To address this discrepancy, the goal of this article is to offer a comprehensive framework of CRM strategy development by making connections among the antecedents, nature, and consequences of CRM strategy design. We first review there three streams of literature and identify the distinct components that capture firms' motivation forces (i.e. business-operation related drivers and business-society related drivers), strategy designs (i.e. instrumental and relational) and campaign tactics (i.e. those focusing on reinforcing CSR associations and organizational legitimacy respectively) when engaging in CRM strategy development. We then proposed a conceptual framework for CRM strategy development by connecting these distinct components to offer a comprehensive framework that delineates the key motivation forces that affect the design of CRM strategy as well the ways in which CRM strategy design

influences the campaign tactics. We further identify firms' value delivery systems as boundary conditions that can influence the impacts of CRM strategy design on the campaign tactics decision. Here, we wish to acknowledge that, although only empirical research can claim to describe actual patterns of behavior in the marketplace, however by reviewing the previous studies on CRM strategy, we can posit the likely relationships between the constructs used to describe the key patterns of behaviors that we may observe in the marketplace. It is this kind of pattern regarding how CRM strategy is likely to be developed that forms the focus of our paper.

In developing the argument, this article makes several important contributions to both the marketing and CSR literature. With regard to the marketing literature, whereas the previous literature that has discussed issues related to CRM strategy development is scattered across different domains (e.g. Berglind and Nakata 2005; Liu 2012; Sen and Morwitz 1996; Szykman et al. 2004), making it difficult to obtain a cohesive picture of how CRM strategy has developed, this study integrates these different domains and offers a comprehensive framework for CRM strategy development. In doing so, we advance CRM strategy research in the marketing discipline (e.g. Adkins 1999; Liu and Ko 2011a; Varadarajan and Menon 1988). Second, we highlight the critical role that value delivery systems played in influencing the relationship between CRM strategy design and campaign tactics. In doing so, this article enriches the existing marketing literature on the role that value delivery systems play in formulating marketing strategy (e.g. Ballantyne and Varey 2006; Frow and Payne 2011; Payne et al. 2008) by extending the discussion to CRM strategy development. For the CSR literature, we advance the research on strategic CSR (e.g. Bronn and Vrioni 2001; Garriga and Melé 2004; Hildebrand et al. 2011; Homburg et al. 2013) by delineating the variety of ways in which firms' CRM strategy design can reinforce CSR associations in CRM campaigns. Second, our study adds to the CSR literature regarding the CSR-organizational

legitimacy association (e.g. Campbell 2007; Handelman and Arnold 1999; Pava and Krausz 1997) by discussing the influence of CRM strategy design on firms' approaches using campaign tactics to reinforce the organizational legitimacy. Finally, as we develop a cohesive picture of how CRM strategy is likely to be developed, we can use all of this knowledge and contribution to revise the definition and description of CRM, reflecting the integration of the antecedents, nature, and consequences of CRM strategy design.

### **CAUSE-RELATED MARKETING STRATEGY DEVELOPMENT**

Figure 1 presents a conceptual framework for CRM strategy development. The focus of our analysis is on how CRM strategy is likely to be developed. We begin by reviewing the three streams of literature related to CRM strategy development (i.e. the antecedents, nature, and consequences of CRM strategy design), and identify the distinct components that capture the key themes within each stream of literature. As Figure 1 shows, we also include value delivery systems components in our model as boundary conditions that can affect the relationship between the nature and consequences of CRM strategy design. In what follows, we define and elaborate the central components of our conceptual model.

“Insert Figure 1 about Here”

#### **The Antecedents of CRM Strategy Design: Motivation Forces**

Summarizing the findings from the prior research related to the antecedent conditions of CRM strategy design, we identify two basic types of drivers as the motivation forces to encourage firms to engage in CRM strategy: business-operation related drivers and business-society related drivers. Business-operation related drivers reflect firms' motives to improve business operations through the use of CRM strategy and can be further divided into two

main categories: to enhance the purchase intention externally and improve the organizational identification internally.

Purchase intention is defined as the likelihood of an individual buying a particular good or service in the near future (Chang and Wildt 1994; Kalwani and Silk 1982). One of the essential drivers that inspire firms to use a CRM strategy is to enhance the target audiences' purchase intention, which subsequently leads to an increase in firms' revenue (Adkins 1999; Svensson and Wood 2011; Varadarajan and Menon 1988). For example, the American Express Corporation's CRM campaign in 1983, where it donated a cent for every credit card transaction and \$1 for every new credit card issued to the improvement fund of the Statue of Liberty and Ellis Island (causes), has been identified by academics as the keystone to the more recent proliferation of CRM campaigns (Adkins 1999; Lichtenstein et al. 2004; Smith 1994). The usage of the American Express Corporation credit card has increased by 28%, and 17% new accounts were created during the period of this campaign (Berglind and Nakata 2005; Ptacek and Salazar 1997). The findings from this line of research regarding CRM and purchase intention suggest that the target audiences' perceptions of a firm's position regarding certain social issues can affect their buying decision regarding its products (e.g. Bhattacharya and Sen 2004; Dacin and Brown 2006; Strahilevitz 1999). This is because donating to social causes a portion of the firms' proceeds from each product sold can improve their purchasing intention due to the target audiences' belief that they are performing a good act or easing their guilt about their consumption (Bendapudi et al. 1996; Strahilevitz and Myers 1998).

The second type of business-operation related driver is firms' motivation to build a positive organizational identification. Organizational identification defines as individuals' perception of oneness with or belongingness to the organization (Ashforth and Mael 1989; Berger et al. 2006). In comparison to the first type of business-operation related driver, that

focuses on influencing individuals' perceptions about firms externally, firms' motivation to improve their organizational identification has a greater internal focus. Organizational identification reflects the amount of shared interests and beliefs between firms and their employees (Ashforth and Mael 1989; Berger et al. 2006). Prior research shows that a strong organizational identification may contribute positively to firms' success, because employees feel that they belong to their organizations (Ashforth and Mael 1989; Smidts et al. 2001). The previous literature suggests that one of the main reasons for firms to engage in CRM campaigns is to change their employees' (internal target audiences') perceptions about and subsequently enhance their feeling of belonging to and identification with the firms (e.g. Kim et al. 2010; Liu et al. 2010; Powell 2011). For example, a benchmark study of employees' attitudes showed that 90% of the employees whose companies engaged in some sort of CRM related program felt proud of their company's value versus 56 per cent of those whose employers were not engaged in such a program (Cone/Roper 1994). This suggested that CRM has been proven to have a positive influence on how employees feel about their employers and their perceived attachment to their firms (Adkins 1999; Kim et al. 2010). Following this logic, we argue that firms' intention to improve their employees' organizational identification can be considered one of the CRM drivers.

Business-society related drivers, on the other hand, reflect firms' motivation to improve their relationship with the wider community where they are operated through the use of CRM strategy, and can also be further divided into two main categories: obtaining a license to operate and managing the stakeholder relationship. The license to operate is defined as the granting of permission to undertake a trade or carry out a business activity in the local community within which the firm operates (Mirvis and Googins 2006; Porter and Kramer 2006). Prior research suggests that a CRM strategy that combines both CSR and marketing functions provides opportunities for firms to demonstrate and communicate their value in the



eyes of those living in the community (e.g. Porter and Kramer 2006; Russo and Tencati 2009; Van de Ven 2008). In order for firms to be granted a license to operate, they must prove their value to the community in which they operate, thereby encouraging the community members to believe that the firms have a right to operate within this community environment (Chiu and Sharfman 2011; Saiia et al. 2003). Thus, obtaining a license to operate can be considered as a motivational force that influence firms' decisions to embrace their CRM strategy.

The second type of business-society related driver is managing community relationships. A community relationship is defined as a firm's connections with the members of the local community within which it operates (Hess et al. 2002; Liu et al. 2012). Knox and Gruar (2007) argue that firms should view the members of the local community as business partners and focus on establishing a strong relationship with them. Prior research found that CRM can provide a useful tool for managing such relationships (Knox et al. 2005; Liston-Heyes and Liu 2010; Liu and Ko 2011a), since a CRM campaign contains both CSR and marketing elements which enable firms to address the community members' demands through the firms' involvement in social initiatives and communicating the results back to them using the proper media channels. As a result, we argue that managing the community relationship is a motivational force that influences firms' decisions to embrace CRM strategy.

### **The Nature of CRM Strategy Design: Implementation Plan**

In summarizing the development of previous CRM researches, Liu (2012) distinguish two facets of CRM implementation plan: a commercially-focused plan to gain a competitive advantage and a socially-focused plan to interact with the community. Liu (2012) refers to these as the instrumental and relational logic of CRM implementation plans, respectively. In this research, we adopt these two CRM implementation plan terminologies and extend their context to describe the nature of CRM strategy design.

According to Liu (2012), a firm that emphasizes instrumental logic when designing its CRM campaign aims directly to foster its target audiences' favorable attitudes toward itself and emphasizes the conversion of these favorable attitudes into commercial benefits. Therefore, a firm that adopts instrumental logic as its CRM implementation plan views a CRM strategy as a type of commercial marketing strategy. Both academic and industry reports have found that individuals indicate that they are more likely to purchase the products of companies which support social causes only if all other factors (i.e. price and quality) are equal (Bronn and Vrioni 2001; Cone Cause Study 2010). More specifically, individuals are drawn to purchase products that are associated with social causes because these associations not only enhance their helping behavior or sense of social contribution (Bendapudi et al. 1996; Liu 2012) but also allow firms to differentiate themselves from their competitors in terms of their involvement in social and environmental causes (Lichtenstein et al. 2004). For instance, McWilliams and Siegel (2001) propose that a firm can incorporate its social and environmental involvement into its marketing strategy in order to differentiate itself from its competitors in terms of meeting different target audiences' (i.e. customers, employees, community) demands. Therefore, extending Liu (2012)'s suggestions, we define the instrumental logic of a CRM implementation plan as the general direction in strategy design whereby the CRM strategy is a type of corporate commercial business strategy that capitalizes on a firm's social and environmental involvement in order to differentiate it from its competitors.

On the other hand, Liu (2012) proposes that the CRM strategy can be considered a stakeholder communication strategy which focuses on publicizing firms' involvement in social and environmental causes to foster their stakeholders' trust in the business and uses it to establish reliable relationships with its stakeholders under a relational logic of CRM implementation plan. However, several studies point out that CRM strategy involves more

than merely disseminating the messages regarding a firm's social and environmental involvement to the people with whom the firm wishes to communicate (e.g. Adkins 1999; Liu et al. 2010). In fact, the firm should incorporate CRM into its overall social and environmental strategy in order to engage with people directly and seek their trust. For example, Papasolomou and Kitchen (2011) studied how BMW (a car manufacturer) designed its CRM strategy to address important social issues with the participation of individuals in Cyprus to demonstrate the firm's values of good corporate citizenship, thus increasing loyalty and improving the relationships between the firm and the members of the community. From this perspective, this article argues that Liu (2012)'s description of the relational logic for CRM implementation can be refined to cover this wider scope of community participation. Thus, we define the relational logic of a CRM implementation plan as the general direction in strategy design whereby the CRM strategy is a type of corporate community engagement strategy that capitalizes on a firm's social and environmental involvement to enhance individuals' trust in a firm.

### **The Consequences of CRM Strategy Design: Campaign Tactics**

Firms' CRM strategy design can influence the deliberate focus of their CRM campaign. Previous research has discussed the different types of campaign tactics as the consequences of a CRM strategy design, ranging from sponsorship, media support, transaction-based, licensing programs, donation in kind, and so on (e.g. Berglind and Nakata 2005; Liu and Ko 2011a; Smith and Alcorn 1991). As many firms have developed a better knowledge of how to develop and implement a CRM campaign, Liu and colleagues suggest that, nowadays, a typical CRM campaign has evolved from a simple format that only focuses on one type of CRM campaign into a more complex format that involves executing multiple types of CRM campaigns simultaneously (Liston-Heyes and Liu 2010; Liu 2012; Liu and Ko 2011a, 2011b).

In this article, we propose that the CRM campaign approaches can be categorized according to the tactics that firms use to reinforce a set of values that they wish to communicate with their target audiences. This rationale is in line with the suggestion from the prior research on campaign tactics where the purpose of CRM campaigns is to focus on communicating with firms' target audiences to reinforce the former's set of values regarding their social and environmental involvement (Adkins 1999; Bronn and Vrioni 2001; Liu 2012; Svensson and Wood 2011).

The first group of campaign tactics focuses on reinforcing the CSR associations with the firms' brands. Berens and Van Riel (2004) suggest that corporate associations are a combination of the general reputation, performance expectations, social expectations, and anything else that will change the definitive public attitude toward a corporation. Brown and Dacin (1997) suggest that there are two sources of corporate association: corporate ability and CSR. Firms' corporate ability associations hint to their target audiences about their capacity to deliver products and services, whereas firms' CSR associations hint to their target audiences about their character as socially responsible organizations. CRM campaigns, in this context, can be considered a kind of tactic that focuses on the strategic aspect of integrating corporate CSR associations into firms' brand strategies. Prior findings suggest that the process of developing a set of values to differentiate firms from their competitions in the marketplace is often achieved by building a strong brand with a CSR association to achieve brand differentiation (Brown and Dacin 1997; Hoeffler and Keller 2002). This task involves setting up an association with a cause and then transferring this favorable brand image from the cause to the corporate brands through brand extension (Broderick et al. 2003; Pracejus and Olsen 2004). Such activities enable firms to reinforce the CSR associations with their brands. Henderson and Arora (2010) suggest that such processes can help firms to establish differentiation in highly competitive environments, if performed effectively.

Building on the prior findings, we further identify two campaign tactics proposed by Hoeffler and Keller (2002) that firms can use to reinforce the CSR associations with their brands: the commonality and complementarity branding approaches. The commonality approach is defined as the campaign tactic of selecting causes that share similar associations and responses to the corporate brands (Hoeffler and Keller 2002). This is similar to what researchers refer to as the functional fit, whereby the functions of firms' products fit with the representations of the causes (Gwinner 1997; Hamiln and Wilson 2004), or image fit, whereby the images of the firms match the core values of the causes (Pracejus and Olsen 2004; Trimble and Rifon 2006).

The complementarity approach is defined as the campaign tactic of selecting causes that display dissimilar associations and responses to the corporate brands (Hoeffler and Keller 2002). According to prior studies, in this type of campaign tactic, the association between the firms and the causes are weak but can create unique implications with regard to the firms' CRM campaign (Hoeffler and Keller 2002; Meyer 1999). This concept is similar to the suggestion that there should be a strategic fit between the firm and the cause (Berger et al. 2004; Gourville and Rangan 2004), whereby strategic compatibility occurs when both parties share a common goal (i.e. generating goodwill) and similar values (i.e. missions).

The second group of campaign tactics focuses on reinforcing the organizational legitimacy. Legitimacy Theory, as applied in the business context, postulates that organizations should act within a "boundary" (society's expectations) that reflects both the established and the evolving new social norms (Liston-Heyes and Liu 2010; Suchman 1995). When individual firms operate within certain boundaries that are consistent with society's expectations, they are often referred to as acting "legitimately." This "legitimacy" expectation is akin to a social contract, which regulates how both parties should perform and behave with regard to their various activities (Singh et al. 2005). When a firm loses its

legitimacy, it will find it difficult to conduct its business activities, as its partners cannot rely on its compliance with the social rules. In many situations, there is a lack of correspondence between how society believes an organization should act and how it is seen to act. This is referred to as the “legitimacy gap.” According to Liston-Heyes and Liu (2010), a legitimacy gap may appear when: 1) a firm or the media disclose information about a firm that changes (for the worse) how society perceives it; 2) society’s expectations change; or 3) a firm fails to show (through disclosure) how it is complying with society’s expectations. Building on the prior findings, we identify two approaches that firms can employ to address legitimacy gaps through CRM campaigns.

The strategic approach is defined as the campaign tactic of focusing on obtaining organizational legitimacy through influencing people’s expectations about the firm (Suchman 1995). This campaign tactic assumes that organizational legitimacy can be gained by affecting how people view and what they expect of the firm’s business operation in order to persuade them to support the firm’s existence (Ashforth and Gibbs 1990; Dowling and Pfeffer 1975). In this sense, a firm can control its business environment and manage its legitimacy through CRM campaigns to serve the specific needs and interests of individuals (target audiences) in order to win their support. The target audiences will accept firms’ legitimacy provided that their own needs can be met. In contrast, the institutional approach is defined as the campaign tactic of focusing on obtaining organizational legitimacy through conforming to people’s expectations about the firm (Oliver 1991; Suchman 1995). In other words, this campaign tactic assumes that organizational legitimacy can be obtained through an organization conforming to the social norms, values, and beliefs (Suchman 1995). In a sense, firms need to establish and follow generally acceptable standards to increase their compatibility with their environment by following the acceptable norms of behavior (Oliver 1991; Wood 1991). If firms can create CRM campaigns that highlight their conformity with

the social expectations of their target audiences, and the latter feel that the firms' activities are understandable and appropriate, this can enhance the target audiences' trust in the firms.

### **Value Delivery System: The Moderators**

A value delivery system refers to the process whereby value is passed from firms to their target audiences through the market (Kowalkowski 2011; Miller and Lewis 1991; Prahalad and Ramaswamy 2004a, 2004b). Applying this to the CRM context, in this article, we argue that firms' emphasis on choosing a specific value delivery system in the process of CRM strategy development can influence the impacts of CRM strategic design on campaign tactics decisions. This article recognizes that this analytical approach limits the richness of the present exploration, but does wish to provide a broader picture of firms' development of a CRM strategy and identify an important area for future research.

Firms can deliver value to their target audiences through two primary methods: value exchange and value co-creation. The value exchange method is the way in which a firm acts autonomously in creating and delivering value that it can then trade for its target audience's support (Miller and Lewis 1991; Prahalad and Ramaswamy 2004b). In this situation, firms and their target audiences both evaluate the meaning of the value among themselves (Kowalkowski 2011; Miller and Lewis 1991). Prahalad and Ramaswamy (2004a) suggest that the value exchange process involves firms creating value by acting autonomously in designing products/services or marketing activities, with little or no interaction with their target audiences. The exchange will take place when the target audiences agree that the products or marketing messages created by the firms are valuable, based on their calculation of the value added (Miller and Lewis 1991). The value co-creation method, on the other hand, is the way in which the firm and its target audience work together to create and deliver value (Payne et al. 2008; Prahalad and Ramaswamy 2004a, 2004b). In this situation, firms and their

target audiences interact with each other to define the meaning of the value that CRM offers (Kowalkowski 2011; Payne et al. 2008). In practice, the value co-creation process involves firms inviting their target audiences to participate in products/services or marketing activities development, so the target audiences can have active dialogues and co-construct personalized experiences (Prahalad and Ramaswamy 2004a, 2004b). The key difference is that, in a value exchange situation, value development occurs inside firms and the value development process is directed by the firms whereas, in a value co-creation situation, value development occurs outside firms and the value development process is orchestrated by both the firms and their target audiences (Kowalkowski 2011; Payne et al. 2008; Prahalad and Ramaswamy 2004a).

### **Conceptual Framework and Research Propositions**

So far, we have defined and discussed the key components of CRM strategy development, which capture the motivation forces, nature, and consequences of CRM strategy design as well as the moderators that can influence the relationship between the nature and consequences of CRM strategic design (see Figure). Here, we attempt to create connections among these components and develop research propositions that provide descriptions of the predicted relationships. Table 1 summarizes our research propositions and CRM case example, in line with each our predictions.

“Insert Table 1 about Here”

### **Link between Motivation Forces and Implementation Plan**

As discussed, the instrumental logic of a CRM implementation plan focuses on using a marketing campaign to differentiate the firm from its competitors. By adopting instrumental logic when designing a CRM strategy, firms can achieve the objective of enhancing their



target audiences' (i.e. customers) purchase intention by demonstrating their awareness of certain causes and attempting to address them. This argument is supported by Sen and Morwitz (1996) who suggest that, if a manager can find a way to match the consumers' perceptions about the firm's position on a certain social issue, the target audiences will become more likely to purchase the firm's product over that of its competitors and also stay with the brand for a longer period. This is because, when a firm communicates its social and environmental involvement to its customers, it can create a socially responsible reputation (Garriga and Melé 2004; Kotler and Lee 2005). When customers search for products before developing a purchase intention, this kind of reputation can act as a signal to customers about a firm's reliability and integrity, as well as its efforts to support social causes. This sets the firm apart from its competitors and attracts customers, who value this kind of reputation, to purchase the firm's product.

A good example of a CRM campaign that employed this type of CRM strategy is Avon's (a British direct selling beauty company) "Crusade against Breast Cancer" campaign. In 1992, Avon launched a unique campaign linking the sales of certain items in its product line with donations to the charity, Breakthrough Breast Cancer (Avon Cosmetics 2007; Avon Foundation 2012). Target audiences can choose to donate to the cause by purchasing the items in this selected project line. This campaign has dramatically improved Avon's reputation, brand awareness, community relations and, most importantly, the purchase intentions of its target audiences (Adkins 1999). A study conducted by Broderick et al. (2003) found that this CRM campaign is one of the main reasons why the target audiences choose to buy Avon's products. In this case, Avon's drive to enhance their target audiences' purchase intention led it to adopt the instrumental logic of a CRM implementation plan that focuses on differentiating itself from its competitors as a women's cause (breast cancer) supporter. Thus, we argue that, if a firm wishes to enhance its target audiences' purchase intention, this will

lead them to develop a CRM implementation plan that follows instrumental logic. We formally state:

**Proposition 1:** There will be a positive relationship between the extent of a firm's use of cause-related marketing to *enhance the purchase intention* of its target audiences, and the likelihood of the use of *instrumental logic* of cause-related marketing implementation plan.

In this article, we argue that firms' motivation to use CRM to improve their target audiences' organizational identification will lead firms' to adopt relational logic for their CRM implementation plan. Prior research has suggested that employees (internal target audiences) are highly aware of what their firms have done in terms of performing socially responsible acts, based on which they decide whether or not they wish to be associated with that firm (Adkins 1999; Kim et al. 2010; Liu et al. 2010). By adopting a relational logic of CRM implementation plan, firms can improve their employees' feeling of belonging to and identification with the firm. This is because the relational logic of CRM focuses on using CRM to respond to individuals' expectations of how firms should act and behave in the process of developing long-term relationships (Liu 2012). In other words, a firm can use this CRM strategy design to find ways to satisfy its employees' needs and enhance their motivation to identify with their firm. For example, Danone Baby Nutrition, a firm that produces milk formula and baby food, encourages their employees to volunteer to support the local community's work by offering them paid volunteering days each year (Danone 2014; Danone Baby Nutrition 2014). Previous studies have found that employee volunteer activity enables firms to communicate clearly to their employees about their intention to perform socially responsible acts, and also plays an important role in shaping firms' overall CRM strategy (Liu and Ko 2011b; Liu et al. 2010). In our example, such activities resulted in Danone Baby Nutrition employees taking more pride in their firm and increasing their engagement in firm-related activities (Danone 2014; Danone Baby Nutrition 2014). In other words, the employees of Danone Baby Nutrition have developed stronger connections with

the firm because of their involvement in CRM campaigns. Summarizing the above discussion, we argue that, with the intention of improving the target audiences' organizational identification, the development of a CRM strategy will adopt relational logic of CRM implementation plan. This leads to the following proposition:

**Proposition 2:** There will be a positive relationship between the extent of a firm's use of cause-related marketing to *improve the organizational identification* of its target audiences, and the likelihood of the use of *relational logic* in a cause-related marketing implementation plan.

Thirdly, we argue that, when firms engage in developing a CRM strategy for the purpose of obtaining a license to operate, they will use instrumental logic of CRM implementation plan. Although the relational logic of CRM implementation plan also focuses on supporting the local community and gaining community support, obtaining a license to operate is more likely to be viewed as a strategic tool for achieving economic objectives and a competitive advantage (Mirvis and Googins 2006; Porter and Kramer 2006). Imagine, if several firms wished to expand their business operations into a specific region simultaneously, the one who makes a social or environmental investment in local community will be more likely to obtain permission to carry out business activities (Crook 2005; Porter and Kramer 2006). This is because the firm that has made a social or environmental investment differentiates itself from others as a supporter of the local community. When a firm wishes to obtain a license to operate, it can design a CRM strategy with the aim of differentiating itself from its competitors by communicating its social and environmental involvement in the local community to the community members to gain their support for the firm's business operation.

For example, as Amba-Rao (1993) points out, multinational corporations have been investing in community initiatives in exchange for the host governments of developing countries granting them a license to operate there. One of the reasons that trigger host governments to behave favorably toward such initiatives is that the improvements in the host countries' social and economic status can further enhance the political power of the host

governments' officials. In this sense, the multinational corporations have increased their political influence by spreading their reach throughout the community members of the host countries to pressure local policy to favor their business operations. This gives the multinational corporations a competitive edge over latecomers and other corporations through their ability to establish large community networks in the area. The CRM strategy can be designed to target the community members' demands in the location where the firms adopt an expansion plan. In this regard, firms that gain support from the local authorities of their communities may acquire a favorable environment for their business expansion (Luo 2001, 2004, 2006). Thus, we propose:

**Proposition 3:** There will be a positive relationship between the extent of a firm's use of cause-related marketing to *obtain the license to operate* in the local community within which the firm operates, and the likelihood of the use of *instrumental logic of cause-related marketing* implementation plan.

Finally, we argue that, when firms engage in developing a CRM strategy for the purpose of managing their community relationships, they will use the relational logic of the CRM implementation plan. The use of relational logic to design a CRM implementation plan can enhance firms' chances of developing and maintaining good relationships with the individuals in the community whom the firms wish to target in this respect. This is because the implementation plan for a CRM strategy, under relational logic, emphasizes building people's trust in order to establish reliable relationships with them (Liu 2012). Therefore, we can logically assume that, if a firm wishes to use a CRM strategy to manage its community relationships, it will be more likely to adopt the relational logic of the CRM implementation plan. For example, Asda (a British grocery retailer) supermarket's "Sport Chance" campaign focuses on giving children an opportunity to participate in free sport sessions throughout the UK and developing a community commitment to this cause (Asda Sport Chance 2011; Asda Supermarket 2011). In this campaign, Asda invites local community members (i.e. local community sports providers) to become involved by proposing free sport sessions that Asda

might support (Asda Sport Chance 2011). During this process, Asda gains an opportunity to interact with the members of the local community and communicate with them about the value that the firm can contribute to the community. Such activities enable Asda to develop close relationships with the communities within which it operates. Thus, we argue that, if the primary motive for firms is to use a CRM strategy to manage their community relationships, then they will adopt relational logic of CRM implementation plan. We formally state:

**Proposition 4:** There will be a positive relationship between the extent of a firm's use of cause-related marketing to *manage the community relationships* in the local community within which the firm operates, and a likelihood of the use of *relational logic of cause-related marketing implementation plan*.

### **Link between Implementation Plan and Campaign Tactics**

Previous research recognizes CSR as a differentiation strategy (Garriga and Melé 2004; McWilliams and Siegel 2001). In the competitive marketplace, firms can differentiate themselves through different means, such as price, innovation and so on. CSR, in this perspective, can be considered as a mean of achieving differentiation. When firms engage in CSR related activities, they will create a unique reputation associated with their brand that signals to individuals that the firms are socially responsible (Brown and Dacin 1997; Varadarajan and Menon 1988). Individuals, on the other hand, will recognize such socially responsible reputation and adjust their behaviors and actions in favor of the firms (Bhattacharya and Sen 2004; Broderick et al. 2003; Lafferty and Goldsmith 2005). Thus, we argue that, when firms adopt an instrumental logic of CRM implementation plan, they will focus on reinforcing the CSR associations with their brands in order to differentiate themselves from their competitors by associating themselves with the causes. We will further elaborate our arguments below.

Firms can adopt campaign tactics under either a commonality or a complementarity approach. Hoeffler and Keller (2002) suggested that the commonality approach tactic will

transfer the target audiences' responses to the causes to the firms' brand, thereby strengthening the CSR associations with the firms' brands. A good example of a CRM campaign for this type of CRM strategy is the LensCrafters' "Give the Gift of Sight" initiative. Since 1998, LensCrafters have collaborated OneSight in this initiative to provide better sight for people around the world. The commonality approach is used in this campaign, given that both the firm and the cause have similar brand attributes regarding improving people's vision. LensCrafters is one of the largest optical product providers in the USA (LensCrafters 2012). OneSight, on the other hand, is a charitable organization that works around the world to provide free eye care to more than 8 million people (OneSight 2012). Several experts have pointed out that people's attitudes toward firms are more favorable if the firms' brands and causes are compatible (Nan and Heo 2007; Pracejus and Olsen 2004). The key reason, according to their explanations, can be linked to the concept of brand extension, which refers to the transfer evaluation from one brand to another. Several studies suggest that, the higher the degree of similarity between the two brands, the more likely it is that transfer evaluation will take place (Barone et al. 2000; Boush and Loken 1991). Applying this concept to the case of the LensCrafters' "Give the Gift of Sight" campaign, there is a higher level of perceived similarity between the firm's brand and the cause with regard to optical related products. If the target audiences evaluate the cause favorably from their perspective under this approach, they will also evaluate favorably the CSR association of the firm's brand. Such an evaluation of firms' associations regarding certain social causes can affect the target audiences' buying decisions regarding their products rather than those of their competitors. In other words, the notion that firms should adopt a commonality approach tactic to develop their CRM campaigns is based on the rationale that firms wish to use a CRM strategy to gain competitive advantages, which is consistent with our description of the use of instrumental

logic to design a CRM implementation plan. Thus, the following relationship can be anticipated:

**Proposition 5:** A firm's use of *instrumental logic* in a cause-related marketing implementation plan is positively related to the use of the *commonality approach* tactic in constructing a cause-related marketing campaign to reinforce the corporate social responsibility associations with its brand by enhancing the existing connections between the firms and the causes.

Similarly, we argue that firms' decisions to adopt a campaign tactic in a complementarity approach to reinforce the CSR associations with their brands are also influenced by their adoption of instrumental logic in a CRM implementation plan. Hoeffler and Keller (2002) point out that using the complementarity approach enables firms to create an even greater differentiation between themselves and their competitors in the eyes of the target audiences, because the unique brand associations that are created under the complementarity approach are difficult for competitors to copy (Bhattacharya et al. 1995). Thus, we argue that firms adopt this approach have a clear motive in using a CRM strategy to gain competitive advantages in the marketplace, which fits our description of the use of instrumental logic in a CRM implementation plan. A good example of this is Waitrose's (a British grocery retailer) "Community Matters" campaign that was launched in 2008. Each month, every Waitrose branch donates a total of £1,000 (£500 for their convenience shops) to three local good causes that people chose and, the higher the vote, the bigger the donation (Community Matters 2012). At the national level, Waitrose distributes a total donation of £25,000 between three national causes every three months according to how people vote via Waitrose.com (Community Matters 2012). The complementarity approach tactic is used to reinforce the CSR association with the firm's brand, as there is a low level of similarity between Waitrose (a grocery retailer) and a variety of local causes (education, community services, and so on). In this case, Waitrose is attempting to reinforce the CSR association with its brand by contributing to local causes in order to create a unique brand association regarding supporting community related

activities to differentiate it from its competitors (Waitrose 2012). The following can thus be anticipated:

**Proposition 6:** A firm's use of *instrumental logic* in its cause-related marketing implementation plan is positively related to the use of the *complementarity approach* tactic in constructing a cause-related marketing campaign to reinforce the corporate social responsibility associations with its brand by creating unique connections between themselves and the causes.

As we have argued, the legitimacy expectation is akin to a social contract, which regulates how both parties should perform and behave with regard to their various activities. Applying this to the firm-community relationship situation, the problem arises when firms and their corresponding community members disagree about how firms should behave. In order to addressing this discrepancy and restore the organizational legitimacy, previous research recognizes that firms need to find ways to respond to their community members' demands (Liston-Heyes and Liu 2010; Suchman 1995). The relational logic of CRM implementation plan, in this situation, provides a useful tool for helping firms to restore their organizational legitimacy because it emphasis communicating to the community members about firms' social and environmental involvement to enhance their trust in the firms which are addressing their demands (Liu 2012). Thus, we propose that firms' adoption of relational logic to formulate a CRM implementation plan is more likely to focus on reinforcing a set of values to highlight their organizational legitimacy. We will further elaborate our arguments below.

Firms can adopt campaign tactics in either a strategic or an institutional approach. More specifically, we argue that firms' choice to adopt the strategic approach tactic to reinforce their organizational legitimacy can be influenced by their adoption of a CRM implementation plan under relational logic. For example, the American Express Corporation partners the National Trust, an organization that focuses on saving, repairing and preserving cultures and



historic sites across the USA (National Trust 2012), and the World Monuments Fund, an organization dedicated to safeguarding the most treasured places and landmarks around the world (World Monuments Fund 2012), to preserve global historic and cultural landmarks and strengthen local communities through preservation efforts (Partners in Preservation 2012). In this campaign, the strategic approach tactic is used to reinforce the organizational legitimacy. Prior studies suggest that firms can influence people's perceptions about them by shifting their existing expectations about using a strategic approach to gain organizational legitimacy (e.g. Suchman 1995; Zimmerman and Zeitz 2002). The American Express Corporation is a global financial service firm (American Express 2012) and people's expectations of financial service firms usually focus on transparency and risk management (Ennew and Waite 2007; Ogrizek 2002). However, the focus of the "Partners in Preservation" campaign is more on increasing public awareness of the importance of historic and environmental conservation by the American Express Corporation (Partners in Preservation 2012). In a sense, this CRM campaign is more about communicating the firm's ethical practices to the target audiences by pointing out the firm's effects regarding these activities in the process of influencing their expectations about the American Express Corporation (i.e. from transparency and risk management to historic and environmental conservation) in gaining their support. The literature suggests that individuals usually attribute high moral values (responsibility, reliability, and so on) to firms that engage in various charitable activities (Dawkins 2005; Dowling and Pfeffer 1975). In this campaign, the firm uses its association with and contribution to the cause to address the legitimacy gap, which people experience with regard to the firm. Such an approach is consistent with our description of using relational logic to design a CRM implementation plan. Thus, the adoption of a CRM implementation plan based on relational logic can lead to firms designing CRM campaigns that focus on using the strategic approach tactic to reinforce their organizational legitimacy. Therefore:

**Proposition 7:** A firm's use of *relational logic* in a cause-related marketing implementation plan is positively related to the use of the *strategic approach* tactic in constructing cause-related marketing campaigns to reinforce its organizational legitimacy by influencing people's expectations about the firm.

Similarly, firms' choice to use the institutional approach tactic to reinforce their organizational legitimacy can also be influenced by their adoption of a CRM implementation plan under relational logic. The prior literature points out that the institutional approach tactic, focusing on conforming the expectations of the firms' stakeholder groups, can be used to strengthen the relationship between the firms and their stakeholders (Palazzo and Scherer 2006; Suchman 1995). From this perspective, we can logically assume that, when firms intend to develop a CRM strategy with the purpose of strengthening their stakeholder relationships, they can choose to design CRM campaigns that focus on using the institutional approach tactic to reinforce their organizational legitimacy. For example, Marks and Spencer's (a UK retailer) "Plan A" campaign consists of a series of commitments that the company made to develop a closer relationship with their stakeholders by working with them to deliver real benefits to their community and environment (Marks and Spencer 2012). Between 2007 and 2010, Marks and Spencer worked with their stakeholders to achieve 95 out of the 180 Plan A commitments and contribute a net benefit of over £70 million during 2010/2011 (Plan A 2011). The outcomes of this campaign not only enhanced the stakeholders' trust in the firm, but also strengthened their relationship with the firm (Marks and Spencer 2011). These programs focus on providing on-going support for all community initiatives, in order to conform to what people believe a retail store should do in the community – cater for local needs (Clarke 2000; Whysall 2000). In other words, the establishment of the Plan A campaign helps to demonstrate publicly Marks and Spencer's long-term commitment to supporting the community (i.e. conforming to the expectations of retail firms – the institutional approach tactic) with the intention of strengthening the firm's

relationship with its stakeholders (Marks and Spencer 2011; Plan A 2011). To summarize the above argument, we propose:

**Proposition 8:** A firm's use of *relational logic* in a cause-related marketing implementation plan is positively related to the use of the institutional approach tactic in constructing a cause-related marketing campaign to reinforce its *organizational legitimacy* by conforming to people's expectations about the firm.

### **Moderating Effects of the Value Delivery Systems**

In the following section, we develop research propositions regarding the moderating effects of different value delivery systems (the value exchange and value co-creation method) on the link between an implementation plan and campaign tactics. Under instrumental logic, firms view CRM-related expenditure as an investment and pay close attention to the amount of CRM investment (i.e. donations to causes) in exchange for which the amount of the reward can be received (Liu 2012). As a result, firms are more selective when choosing a cause that can yield greater rewards (Mescon and Tilson 1987; Trimble and Rifon 2006). When firms adopt instrumental logic in a CRM implementation plan, we argue that the influence of the value exchange focus will motivate them to favor the use of the commonality approach to construct CRM campaigns to reinforce their CSR associations. In a situation where firms choose value exchange as their primary method for delivering value to their target audiences, the development and execution of CRM activities is largely internal, with little or no interaction with the target audiences. From the firms' perspective, selecting causes that have similar associations with the firms' brand seem more appropriate, if the decisions regarding the cause selection are made entirely internally. This is because prior research has found that a high fit between firms' brands and causes can improve their target audiences' acceptance of CRM campaigns (Lafferty and Goldsmith 2005; Lafferty et al. 2004; Pracejus and Olsen 2004). If firms act autonomously in constructing CRM campaigns, engaging in little or no interaction with their target audiences, choosing the commonality approach is more likely to

yield greater rewards. In relation to our earlier example of LensCrafters, the decision to choose OneSight as a partner in the CRM campaign was made internally. In this CRM campaign, LensCrafters aim to differentiate their brand in the optical market through collaborating with OneSight by reinforcing their CSR association with this brand and championing this work through all aspects of the firm's brand marketing programs by issuing a strong, single message to people – “*We’ve provided crisp, clear vision to millions around the world*” – in exchange for their favorable evaluation of its brand (Give at LC 2012; Kotler and Lee 2005). Thus, we propose:

**Proposition 9:** A firm's effort to deliver value through the *value exchange* method positively moderates the relationship between the use of *instrumental logic* of the cause-related marketing implementation plan and the use of the *commonality approach* tactic in constructing a cause-related marketing campaign to reinforce the corporate social responsibility associations with its brand.

Conversely, when firms choose to deliver value through the value co-creation method, the overall effect of an instrumental logic centered CRM implementation plan on using the complementarity approach tactic to construct CRM campaigns to reinforce CSR associations will be stronger. This is because, when firms choose value co-creation as their primary method for delivering value to their target audiences, the development and execution of their CRM activities involve a great deal of the target audiences' participation. Previous research found that individuals have their own views on which causes they wish to support, which are usually different from what the firms propose – usually they share similar associations with the brands (Adkins 1999; Peloza et al. 2013; Robinson et al. 2012). Following this logic, if firms decide to interact with their target audiences in determining which causes to support during their CRM campaigns, the chosen causes are more likely to have dissimilar associations with the firms' brands. Relating back to our earlier example of Waitrose's complementarity approach to reinforcing CSR associations, in this CRM campaign, Waitrose provides people with an opportunity to participate in choosing local causes for Waitrose to

support. At local retail stores, people will receive a token at the checkout which they can then use to vote for one of three local good causes (Waitrose 2012). Robinson et al. (2012) found that a firm that allows its target audiences to choose the cause that receives the donation can attract greater support for such campaigns. When individual shoppers are given an opportunity to participate in cause selection, they tend to select one that they believe is important, which may not necessarily be associated with the firm's brand. When the firms and the causes have a low perceptual fit with regard to the CRM campaigns, this is more likely to improve people's personal involvement in helping the causes and enhance their responsiveness to the CRM campaigns (Robinson et al. 2012). In this sense, the firms and their target audiences co-create value in this type of CRM campaign. Following the above discussion, we propose:

**Proposition 10:** A firm's effort to deliver value through the *value co-creation* method positively moderates the relationship between the use of the *instrumental logic* of the cause-related marketing implementation plan and the use of the *complementarity approach* tactic in constructing a cause-related marketing campaign to reinforce the corporate social responsibility associations with its brand.

On the other hand, when firms choose to deliver value through the value exchange method, the overall effect of a relational logic centered CRM implementation plan on using the strategic approach tactic to construct CRM campaigns to reinforce the organizational legitimacy will be stronger. As discussed, the strategic approach tactic of reinforcing the organizational legitimacy through a CRM campaign emphasizes influencing people's expectations about firms. In this situation, firms view CRM campaigns as a means to the end of building long-term, positive relationships with their target audiences (Liston-Heyes and Liu 2010; Liu 2012). According to Suchman (1995), the strategic approach to reinforcing organizational legitimacy involves the operational resources and managers controlling the legitimation process. In other words, CRM campaigns that are developed using the strategic approach tactic require more managerial supervision and monitoring, which can only be

achieved if firms act autonomously in designing CRM campaigns with little or no interaction with their target audiences. Linking back to our earlier example of the American Express Corporation's "Partners in Preservation" program, the choice of the value delivery system is value exchange, given that the selection of the historical sites does not involve the participation of anyone apart from the corporate executives (Partners in Preservation 2012). In this case, the American Express Corporation takes control of the legitimation process to influence their target audiences' expectation about the firm by making CRM campaign related decisions internally without the target audiences' participation. Thus, the following can be anticipated:

***Proposition 11:*** *A firm's effort to deliver value through a value exchange method positively moderates the relationship between the use of the relational logic of the cause-related marketing implementation plan and the use of the strategic approach tactic in constructing a cause-related marketing campaign to reinforce its organizational legitimacy.*

Finally, when firms choose to deliver value through the value co-creation method, the overall effect of a relational logic centered CRM implementation plan on using the institutional approach tactic to construct CRM campaigns to reinforce the organizational legitimacy will be stronger. In our earlier discussion, using the institutional approach tactic to reinforce the organizational legitimacy through CRM emphasizes the need to conform the target audiences' expectations about the firms. The prior literature suggests that the target audiences tend to develop trust in an organization which acts legitimately by sharing their values and beliefs (Suchman 1995; Zimmerman and Zeitz 2002). Inviting the target audiences to participate in the development and execution of CRM campaigns allows firms better to sense what their expectations are and how these might be met (Liston-Heyes and Liu 2010; Liu 2012; Liu and Ko 2011a). In relation to our earlier example of Marks and Spencer's "Plan A campaign," the firm made a commitment to involving people in sharing knowledge, developing solutions and generating support to make a difference to a wide range

of social and environmental causes in the community in the areas of health and wellbeing, poverty and social exclusion, and the environment (Marks and Spencer 2011). In this campaign, the firm invites its target audiences to co-construct the programs to support a specific cause to suit their own passion and desire to support particular needs in society. In this sense, the value of CRM campaigns is jointly created by the firm and its target audiences. To summarize the above discussion, we suggest the following:

**Proposition 12:** A firm's effort to deliver value through the *value co-creation* method positively moderates the relationship between the use of the *relational logic* in a cause-related marketing implementation plan and use of the *institutional approach* tactic in constructing a cause-related marketing campaign to reinforce its organizational legitimacy.

## DISCUSSION AND FUTURE DIRECTIONS

The main objective of this article is to offer a comprehensive framework of how CRM strategy is likely to be developed. In doing so, this research offers several important implications for both marketing and CSR research, as well as implications for managers regarding CRM strategy development. For the marketing literature, the previous research in this subject area has been scattered across different domains in covering the antecedents (e.g. Hamiln and Wilson 2004; Hildebrand et al. 2011; Maignan and Ferrell 2004; Sen and Morwitz 1996; Strahilevitz and Myers 1998; Szykman et al. 2004), nature (e.g. Berglind and Nakata 2005; Liu and Ko 2011a; Smith and Alcorn 1991) and consequences (e.g. Liu 2012; Muller and Kräussl 2011; Payne et al. 2005; Svensson and Wood 2007) of CRM strategy design. In this research, we advance the literature in this subject area by first reviewing these three streams of literature and identifying the distinct components related to CRM strategy development, then connecting those components to develop a comprehensive framework for CRM strategy development. Because of this, in contrast to previous marketing studies, we offer a cohesive picture to explain the drivers, strategy design, and campaign tactics regarding how CRM strategy is likely to be developed.

Second, prior marketing research has recognized the important roles that value delivery systems play in marketing strategy development for different strategic purposes (e.g. Ballantyne and Varey 2006; Frow and Payne 2011; Payne et al. 2008), but similar discussions do not seem to exist within CRM research. Given that firms are increasingly using CRM to capitalize on their social and environmental involvement to generate revenue and manage their community relationships, it is important to develop a clearer understanding of how the adoption of different types of value delivery systems may influence CRM strategy development. In this research, we proposed a conceptual framework and suggest that, when firms place greater emphasis on delivering value through a value exchange system, the relationship between adopting an instrumental logic CRM implementation plan and using commonality approach campaign tactics to reinforce the CSR associations, and the relationship between adopting a relational logic of CRM implementation plan and using strategic approach campaign tactics to reinforce the organizational legitimacy relationship, will be strengthened. In contrast, when firms place greater emphasis on delivering value through value co-creation, the relationship between adopting an instrumental logic CRM implementation plan and using complementarity approach campaign tactics to reinforce the CSR associations, and the relationship between adopting a relational logic of CRM implementation plan and using institutional approach campaign tactics to reinforce the organizational legitimacy relationship, will be strengthened. In doing so, we extend the discussion of the value delivery system to the CRM literature.

For CSR research, this study also has several implications. First, our study contributes to the research on strategic CSR (e.g. Bronn and Vrioni 2001; Garriga and Melé 2004; Hildebrand et al. 2011; Homburg et al. 2013) by delineating the variety of ways in which CRM strategy design can influence campaign tactics to establish a connection between a firm's brand and its CSR performance. More specifically, our conceptual framework suggests



that, when firms adopt an instrumental logic CRM implementation plan, it will lead to the use of either the commonality or complementarity approach to reinforce the CSR associations with its brand. By doing so, we demonstrate that a firm can capitalize on its social and environmental involvement through using different types of campaign tactics to differentiate itself from its competitors. Second, our study contributes to prior CSR studies regarding the CSR-organizational legitimacy association (e.g. Campbell 2007; Handelman and Arnold 1999; Pava and Krausz 1997). Suchman (1995) indicates that organizational legitimacy can be managed using strategic and institutional approaches. This article discusses the roles that CRM strategy, a combination between CSR and marketing, play in managing organizational legitimacy using different approaches. More specifically, in our conceptual framework, we propose that, when firms adopt a relational logic of CRM implementation plan, it will lead to the use of either the strategic or institutional approach to reinforce the organizational legitimacy. From this perspective, we reveal unique ways in which CSR can be used (though combining it with a marketing strategy) either to influence (the strategic approach), or conform (the institutional approach) people's expectations about the firm.

Finally, yet importantly, we can take all of this knowledge regarding CRM strategy development that we have discussed in this research to revise further the definition and description of CRM, reflecting the integration of the antecedents, nature, and consequences of CRM strategy design. The current definitions of CRM offered by various authors vary considerable, signifying a variety of CRM viewpoints. For marketing scholars, the definition of CRM revolves around strategic marketing that focuses on gaining a competitive advantage in the marketplace (e.g. Broderick et al. 2003; Lafferty and Goldsmith 2005; Robinson et al. 2012). For example, Varadarajan and Menon (1988, p. 60) define CRM as “the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in

revenue-providing exchanges that satisfy organizational and individual objectives”. For CSR scholars, the definition of CRM revolves around strategic CSR that focuses on improving the public trust in the firms due to their responses to their stakeholders’ demands (e.g. Adkins 1999; Liston-Heyes and Liu 2010). For example, McWilliams and Siegel (2001) describe how CRM (the incorporation of CSR into a firm’s marketing strategies) can help to create a reputation for a firm of being reliable and honest.

As our research progressed, we gathered several important insights about CRM strategy development. For the antecedent condition, the motivation forces that encourage a firm to engage in CRM strategy development reflect its dual incentives to improve both its business operations and firm-community relationship. Due to the nature of CRM strategy design, the different types of CRM implementation plan serve different strategic purposes, such as differentiating a firm from its competitors and improving individuals’ trust in a firm. In consequence, the campaign tactics that a firm adopts to communicate with its target audiences about a set of values, highlighted by its social and environmental involvement, reflect its twin focus on reinforcing the CSR associations with a firm’s brand and reinforcing the firm’s organizational legitimacy. According to these insights, we argue that both the marketing and CSR scholars’ viewpoints on CRM’s definition only reflect one aspect (strategic marketing or strategic CSR) of CRM. In fact, the results of our study suggest that the development of a CRM strategy requires a dual focus on both strategic the marketing and strategic CSR perspectives. How these two perspectives interact with each other affects the types of CRM campaign developed at the end of the process. Thus, we propose the following definition of CRM that could direct future research on CRM strategy:

CRM is a strategic approach that combines both strategic marketing and strategic CSR perspectives. It aims to differentiate a firm from its competitors and improve individuals’ trust in a firm. CRM strategy focuses on capitalizing and publicizing a

firm's social and environmental involvement to reinforce the CSR-corporate brand association and organizational legitimacy, with the dual purpose of improving the business performance and community relationship.

### **Managerial Implications**

This paper offers important implications for managers on CRM campaign development. Manager will benefit from adopting our definition of CRM and the framework for CRM strategy development. Managers can use our framework as a general guideline for developing a CRM strategy for their firms or use it to assess their competitors' CRM strategy. This work takes the first step toward theorizing how CRM strategy can be developed and managed to respond to different demands. It also allows firms' managers to develop CRM campaigns that fit more precisely their strategic objectives, and reduces the possibility of wasteful investment. In addition, this work provides a new lens through which to evaluate CRM strategy that managers can use to examine their competitors' CRM strategies in order to understand the strategic functions of the latter's CRM campaigns and so design counter strategies to them.

In this article, we suggest that, under instrumental logic, firms consider CRM to be a type of corporate commercial business strategy that capitalizes on their social and environmental involvement in order to differentiate them from their competitors. On the other hand, under relational logic, firms consider CRM to be a type of corporate community engagement strategy that capitalizes on their social and environmental involvement to enhance the trust in them. If we analyze these differences from the perspective of CRM strategy development, two different ways of managing the CRM strategy development process emerge. In general, when the design of a CRM campaign appears to tend more toward instrumental logic, the firms' management tends to assume a high level of control over the CRM campaign's development and execution. On the other hand, when the design of a CRM campaign appears

to tend more toward relational logic, the firms' management tends to involve a higher level of participation by the target audiences during the CRM campaign's development and execution process. This observation does not deny that, in the long run, the aim and impact of the instrumental and relational logic of CRM are the same; that is, according to field experts, the ultimate goal for CRM or any related activities (i.e. CSR, corporate community involvement) is to achieve the long-run sustainability of the business and corporate citizenship (e.g. Adkins 1999; Kotler and Lee 2005; Maignan et al. 2005; Wood 1991).

However, by considering these two different perspectives when designing CRM strategy in combination with other components of CRM strategy, such as value delivery systems, drivers, and campaign tactics, this article provides fresh insights into the role of managers in designing CRM strategies to meet different demands. For example, the design of CRM strategy that tends more toward instrumental logic requires greater managerial control to shape it in order to meet the firms' immediate business objectives. Thus, greater manipulation of the content and context of the specific CRM campaigns is essential to achieve this. On the other hand, the design of a CRM strategy that tends more toward relational logic requires greater interaction between the firms and their target audiences in order to establish a closer relationship.

### **Future Research Directions**

Going forward, our conceptual framework for CRM strategy development raised many questions that should be tested to examine its validity and extend its contributions. First, the attempt to validate our conceptual model and associated research propositions can be considered as a potentially fruitful topic for further research. We suggest that researchers in the future might adopt a mixed methods approach. Researchers can first use qualitative approaches (i.e. interviews or case studies) to develop new or modify the existing

measurements for all the variables in our conceptual model. Then, we recommend that researchers should conduct a large-scale survey and use quantitative data analysis techniques to assess and validate the proposed relationships among the variables stated in our research propositions.

Second, our framework merely provides a starting point for our understanding of the development of a CRM strategy. In research, we identify the general components that capture firms' motivation forces, strategy design and campaign tactics when engaging in CRM strategy development. However, we cannot deny that, as CRM research progresses, field experts will acquire a more in-depth understanding of each component that we have identified in our current model. For example, Larson et al. (2008) indicate that a CRM campaign can improve the sales force's cognitive identification and selling confidence, which enhances the selling behavior performance. This research finds that it may be possible to expand our discussion further regarding the internal business-operations related drivers (such as improving the organizational identification). Perhaps, besides changing the employees' feelings about the firms, firms may also wish to use CRM to encourage their employees to reach their performance potential. Future research might consider expanding this component when more evidence emerges in the academic research. This process enlarges the "improving organizational identification" component of our model, and can also be used to develop the other components in our model further. As a result, the conceptual model of CRM strategy development can be further refined to cover more detail aspects.

Finally, in the future, researchers can consider several other likely moderators that might also influence the relationship between CRM strategy design and campaign tactics. In this research, we focus on value delivery systems because we wish to emphasize how the process whereby value is passed from firms to their target audience can have impact on the firms' CRM strategy development. There are also other potential moderators, such as leadership (e.g.

Harris and Ogbonna 2001; Menguc et al. 2007), organization system (e.g. Kirca et al. 2005; Menon et al. 1999) and so on, which has the potential to influence firms' decisions regarding marketing strategy development. Thus, researchers in the future can take into consideration these potential moderators and their impacts on our model and CRM strategy development in general. Furthermore, further research may also consider that potential moderators can influence the relationship between drivers and CRM strategy design, which we have not explored in this study.

In sum, this article argues that CRM is a powerful tool for businesses because it can be used strategically to reinforce firms' CSR associations and organizational legitimacy. A better understanding of how firms can develop different types of CRM strategy to address the demands of both internal and external sources may make it possible not only to avoid the wastage of resources associated with inappropriate CRM campaigns, but also to concentrate firms' (usually limited) resources on the most appropriate CRM campaign. The theory developed in this article can be used as a basis for further research on this important area.

## References

- Adkins, S. (1999). *Cause related marketing: Who cares wins*. London: Elsevier Ltd.
- Aguilera, R. V., Rupp, D. E., Williams, C. A., & Ganapathi, J. (2007). Putting the S back in corporate social responsibility: A multilevel theory of social change in organizations. *Academy of Management Review*, 32(3), 836-863.
- Amba-Rao, S. C. (1993). Multinational corporate social responsibility, ethics, interactions and Third World governments: An agenda for the 1990s. *Journal of Business Ethics*, 12(7), 553-572.
- American Express. (2012). What we do. Retrieved from <http://about.americanexpress.com/oc/whoweare/> (accessed on Oct 2012).
- Asda Sport Chance. (2011). How do I get involved? Retrieved from [http://www.scottishswimming.com/assets/files/downloadfiles/Swimming/Swimming%20Promotional%20Material/ASDA%20Sporting%20Chance\\_2011.pdf](http://www.scottishswimming.com/assets/files/downloadfiles/Swimming/Swimming%20Promotional%20Material/ASDA%20Sporting%20Chance_2011.pdf) (accessed on May 2012).
- Asda Supermarket. (2011). Asda Supermarkets. Retrieved from [http://www.bitc.org.uk/resources/case\\_studies/asda\\_supermarkets\\_.html](http://www.bitc.org.uk/resources/case_studies/asda_supermarkets_.html) (accessed on May 2012).
- Ashforth, B. E., & Gibbs, B. W. (1990). The double-edge of organizational legitimation. *Organization Science*, 1(2), 177-194.
- Ashforth, B. E., & Mael, F. (1989). Social identity theory and the organization. *Academy of Management Review*, 14(1), 20-39.
- Avon Cosmetics. (2007). Avon Cosmetics - Silver Jubilee Big Tick: 15 years of tackling breast cancer with the "Avon Breast Cancer Crusade". Retrieved from [http://www.bitc.org.uk/resources/case\\_studies/avon\\_jubilee.html](http://www.bitc.org.uk/resources/case_studies/avon_jubilee.html) (accessed on May 2012).

- Avon Foundation. (2012). About the Avon foundation for women. Retrieved from <http://www.avonfoundation.org/about-us.html> (accessed on May 2012).
- Ballantyne, D., & Varey, R. J. (2006). Creating value-in-use through marketing interaction: the exchange logic of relating, communicating and knowing. *Marketing Theory*, 6(3), 335-348.
- Barone, M. J., Miniard, P. W., & Romeo, J. B. (2000). The influence of positive mood on brand extension evaluations. *Journal of Consumer Research*, 26(4), 386-400.
- Bendapudi, N., Singh, S. N., & Bendapudi, V. (1996). Enhancing helping behavior: an integrative framework for promotion planning. *Journal of Marketing*, 60(3), 33-49.
- Berens, G., & Van Riel, C. B. M. (2004). Corporate associations in the academic literature: Three main streams of thought in the reputation measurement literature. *Corporate Reputation Review*, 7(2), 161-180.
- Berger, I. E., Cunningham, P. H., & Drumwright, M. E. (2004). Social alliances. *California Management Review*, 47(1), 58-90.
- Berger, I. E., Cunningham, P. H., & Drumwright, M. E. (2006). Identity, identification, and relationship through social alliances. *Journal of the Academy of Marketing Science*, 34(2), 128-137.
- Berglind, M., & Nakata, C. (2005). Cause-related marketing: More buck than bang? *Business Horizons*, 48(5), 443-453.
- Bhattacharya, C. B., Rao, H., & Glynn, M. A. (1995). Understanding the bond of identification: An investigation of its correlates among art museum members. *Journal of Marketing*, 71(2), 46-57.
- Bhattacharya, C. B., & Sen, S. (2004). Doing better at doing good: When, why, and how consumers respond to corporate social initiatives. *California Management Review*, 47(1), 9-24.



- Boush, D. M., & Loken, B. (1991). A process-tracing study of brand extension evaluation. *Journal of Marketing Research*, 28(1), 16-28.
- Broderick, A., Jogi, A., & Garry, T. (2003). Tickled pink: The personal meaning of cause related marketing for customers. *Journal of Marketing Management*, 5(6), 583-610.
- Bronn, P. S., & Vrioni, A. B. (2001). Corporate social responsibility and cause-related marketing: an overview. *International Journal of Advertising*, 20(2), 207-222.
- Brown, T. J., & Dacin, P. A. (1997). The company and the product: corporate associations and consumer product responses. *Journal of Marketing*, 61(1), 68-84.
- Campbell, J. L. (2007). Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. *Academy of Management Review*, 32(3), 946-967.
- Chang, T.-Z., & Wildt, A. R. (1994). Price, product information, and purchase intention: An empirical study. *Journal of the Academy of Marketing Science*, 22(1), 16-27.
- Chiu, S. C., & Sharfman, M. (2011). Legitimacy, visibility, and the antecedents of corporate social performance: An investigation of the instrumental perspective. *Journal of Management*, 37(6), 1558-1585.
- Clarke, I. (2000). Retail power, competition and local consumer choice in the UK grocery sector. *European Journal of Marketing*, 34(8), 975-1002.
- Community Matters. (2012). Community matters: We support good causes, you decide who gets what. Retrieved from [http://www.waitrose.com/content/waitrose/en/home/inspiration/community\\_matters.html](http://www.waitrose.com/content/waitrose/en/home/inspiration/community_matters.html) (accessed on May 2012).
- Cone Cause Study. (2010). 2010 Cone Cause Evolution Study. Retrieved from <http://www.coneinc.com/files/2010-Cone-Cause-Evolution-Study.pdf> (accessed on

- Cone/Roper. (1994). *The Cone/Roper study: A benchmark survey of consumer awareness and attitudes toward cause-related Marketing*. New York, NY and Boston, MA.: Roper Starch Worldwide and Cone/Coughlin Communications.
- Crook, C. (2005). The good company. *The Economist*, 22(2005), 3-18.
- Dacin, P. A., & Brown, T. J. (2006). Corporate branding, identity, and customer response. *Journal of the Academy of Marketing Science*, 34(2), 95-98.
- Danone. (2014). Support our local community. Retrieved from <http://www.danone.co.uk/BetterWorld/Community/DanoneCarers/> (accessed on March, 2014).
- Danone Baby Nutrition. (2014). Danone Baby Nutrition's employee volunteering programme. Retrieved from <http://www.bitc.org.uk/our-resources/case-studies/danone-baby-nutritions-employee-volunteering-programme> (accessed on March, 2014).
- Dawkins, J. (2005). Corporate responsibility: The communication challenge. *Journal of Communication Management*, 9(2), 108-119.
- Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review*, 20(1), 65-91.
- Dowling, J., & Pfeffer, J. (1975). Organizational legitimacy: Social values and organizational behavior. *Pacific Sociological Review*, 18(1), 122-136.
- Ennew, C., & Waite, N. (2007). *Financial services marketing*. London: Butterworth-Heinemann.
- Frow, P., & Payne, A. (2011). A stakeholder perspective of the value proposition concept. *European Journal of Marketing*, 45(2), 223-240.
- Garriga, E., & Melé, D. (2004). Corporate social responsibility theories: Mapping the territory. *Journal of Business Ethics*, 53(1), 51-71.

- Give at LC. (2012). The Gift of Sight. Retrieved from <http://www.lenscrafters.com/lc-us/onesight> (accessed on Oct 2012).
- Gourville, J. T., & Rangan, V. K. (2004). Valuing the cause marketing relationship. *California Management Review*, 47(1), 38-57.
- Gwinner, K. (1997). A model of image creation and image transfer in event sponsorship. *International Marketing Review*, 14(3), 145-158.
- Hamlin, R. P., & Wilson, T. (2004). The impact of cause branding on consumer reactions to products: does product/cause fit really matter? *Journal of Marketing Management*, 20(8), 663-681.
- Handelman, J. M., & Arnold, S. J. (1999). The role of marketing actions with a social dimension: Appeals to the institutional environment. *Journal of Marketing*, 63(3), 33-48.
- Harris, L. C., & Ogbonna, E. (2001). Leadership style and market orientation: An empirical study. *European Journal of marketing*, 35(6), 744-764.
- Henderson, T., & Arora, N. (2010). Promoting brands across categories with a social cause: Implementing effective embedded premium programs. *Journal of Marketing*, 74(6), 41-60.
- Hess, D., Rogovsky, N., & Dunfee, T. W. (2002). The next wave of corporate community involvement: Corporate social initiatives. *California Management Review*, 44(2), 110-125.
- Hildebrand, D., Sen, S., & Bhattacharya, C. B. (2011). Corporate social responsibility: a corporate marketing perspective. *European Journal of Marketing*, 45(10), 1353-1364.
- Hoeffler, S., & Keller, K. L. (2002). Building brand equity through corporate societal marketing. *Journal of Public Policy & Marketing*, 21(1), 78-89.

- Homburg, C., Stierl, M., & Bornemann, T. (2013). Corporate social responsibility in business-to-business markets: How organizational customers account for supplier corporate social responsibility engagement. *Journal of Marketing*, 77(6), 54-72.
- Husted, B. W., & Allen, D. B. (2007). Strategic corporate social responsibility and value creation among large firms: lessons from the Spanish experience. *Long Range Planning*, 40(6), 594-610.
- Kalwani, M. U., & Silk, A. J. (1982). On the reliability and predictive validity of purchase intention measures. *Marketing Science*, 1(3), 243-286.
- Kim, H.-R., Lee, M., Lee, H.-T., & Kim, N.-M. (2010). Corporate social responsibility and employee–company identification. *Journal of Business Ethics*, 95(4), 557-569.
- Kirca, A. H., Jayachandran, S., & Bearden, W. O. (2005). Market orientation: A meta-analytic review and assessment of its antecedents and impact on performance. *Journal of Marketing*, 69(2), 24-41.
- Knox, S., & Gruar, C. (2007). The application of stakeholder theory to relationship marketing strategy development in a non-profit organization. *Journal of Business Ethics*, 75(2), 115-135.
- Knox, S., Maklan, S., & French, P. (2005). Corporate social responsibility: Exploring stakeholder relationships and programme reporting across leading FTSE companies. *Journal of Business Ethics*, 61(1), 7-28.
- Kotler, P., & Lee, N. (2005). *Corporate social responsibility: Doing the most good for your company and your cause*. Hoboken, New Jersey: John Wiley & Sons.
- Kowalkowski, C. (2011). Dynamics of value propositions: insights from service-dominant logic. *European Journal of Marketing*, 45(2), 277-294.
- Lafferty, B. A., & Goldsmith, R. E. (2005). Cause-brand alliances: Does the cause help the brand or does the brand help the cause? *Journal of Business Research*, 58(4), 423-429.

- Lafferty, B. A., Goldsmith, R. E., & Hult, G. T. M. (2004). The impact of the alliance on the partners: A look at cause–brand alliances. *Psychology and Marketing*, 21(7), 509-531.
- Larson, B. V., Flaherty, K. E., Zablah, A. R., Brown, T. J., & Wiener, J. L. (2008). Linking cause-related marketing to sales force responses and performance in a direct selling context. *Journal of the Academy of Marketing Science*, 36(2), 271-277.
- LensCrafters. (2012). About LensCrafters: A company founded on a better experience. Retrieved from <http://www.lenscrafters.com/lc-us/about-lenscrafters> (accessed on Oct 2012).
- Lichtenstein, D. R., Drumwright, M. E., & Braig, B. M. (2004). The effect of corporate social responsibility on customer donations to corporate-supported nonprofits. *Journal of Marketing*, 68(4), 16-32.
- Liston-Heyes, C., & Liu, G. (2010). Cause-related marketing in the retail and finance sectors: An exploratory study of the determinants of cause selection and nonprofit alliances. *Nonprofit and Voluntary Sector Quarterly*, 39(1), 77-101.
- Liu, G. (2012). Impacts of Instrumental Versus Relational Centered Logic on Cause-Related Marketing Decision Making. *Journal of Business Ethics*, 10.1007/s10551-10012-11292-10558.
- Liu, G., Eng, T. Y., & Ko, W. W. (2012). Strategic direction of corporate community involvement. *Journal of Business Ethics*, DOI: 10.1007/s10551-10012-11418-z.
- Liu, G., & Ko, W. W. (2011a). An analysis of cause-related marketing implementation strategies through social alliance: Partnership conditions and strategic objectives. *Journal of Business Ethics*, 100(2), 253-281.
- Liu, G., & Ko, W. W. (2011b). Social alliance and employee voluntary activities: A resource-based perspective. *Journal of Business Ethics*. doi: 10.1007/s10551-011-0907-9

- Liu, G., Liston-Heyes, C., & Ko, W. W. (2010). Employee participation in cause-related marketing strategies: a study of management perceptions from British consumer service industries. *Journal of Business Ethics*, 92(2), 195-210.
- Luo, Y. (2001). Toward a cooperative view of MNC-host government relations: Building blocks and performance implications. *Journal of International Business Studies*, 32(3), 401-419.
- Luo, Y. (2004). A coopetition perspective of MNC-host government relations. *Journal of International Management*, 10(4), 431-451.
- Luo, Y. (2006). Political behavior, social responsibility, and perceived corruption: a structuration perspective. *Journal of International Business Studies*, 37(6), 747-766.
- Maignan, I., & Ferrell, O. C. (2004). Corporate social responsibility and marketing: an integrative framework. *Journal of the Academy of Marketing Science*, 32(1), 3-19.
- Maignan, I., Ferrell, O. C., & Ferrell, L. (2005). A stakeholder model for implementing social responsibility in marketing. *European Journal of Marketing*, 39(9/10), 956-977.
- Marks and Spencer. (2011). Marks and Spencer have successfully retained the CommunityMark for a further three years. Retrieved from [http://www.bitc.org.uk/resources/case\\_studies/marks\\_and\\_spencer\\_2.html](http://www.bitc.org.uk/resources/case_studies/marks_and_spencer_2.html) (accessed on May 2012).
- Marks and Spencer. (2012). About Plan A. Retrieved from <http://plana.marksandspencer.com/about> (accessed on May 2012).
- McGuire, J. B., Sundgren, A., & Schneeweis, T. (1988). Corporate social responsibility and firm financial performance. *Academy of Management Journal*, 854-872.
- McWilliams, A., & Siegel, D. (2001). Corporate social responsibility: A theory of the firm perspective. *Academy of Management Review*, 26(1), 117-127.

- Menguc, B., Auh, S., & Shih, E. (2007). Transformational leadership and market orientation: Implications for the implementation of competitive strategies and business unit performance. *Journal of Business Research*, 60(4), 314-321.
- Menon, A., Bharadwaj, S. G., Adidam, P. T., & Edison, S. W. (1999). Antecedents and consequences of marketing strategy making: a model and a test. *Journal of Marketing*, 63(2), 18-40.
- Mescon, T. S., & Tilson, D. J. (1987). Corporate philanthropy: a strategic approach to the bottom-line. *California Management Review*, 29(2), 49-62.
- Meyer, H. (1999). When the cause is just. *Journal of Business Strategy*, 20(6), 27-31.
- Miller, R. L., & Lewis, W. F. (1991). A stakeholder approach to marketing management using the value exchange models. *European Journal of Marketing*, 25(8), 55-68.
- Mirvis, P., & Googins, B. (2006). Stages of corporate citizenship: A developmental framework. *California Management Review*, 48(2), 104-126.
- Muller, A., & Kräussl, R. (2011). Doing good deeds in times of need: a strategic perspective on corporate disaster donations. *Strategic Management Journal*, 32(9), 911-929.
- Nan, X., & Heo, K. (2007). Consumer responses to corporate social responsibility (CSR) initiatives: Examining the role of brand-cause fit in cause-related marketing. *Journal of Advertising*, 36(2), 63-74.
- National Trust. (2012). What is preservation? Retrieved from <http://www.preservationnation.org/what-is-preservation/> (accessed on Oct 2012).
- Ogrizek, M. (2002). The effect of corporate social responsibility on the branding of financial services. *Journal of Financial Services Marketing*, 6(3), 215-228.
- Oliver, C. (1991). Strategic responses to institutional processes. *Academy of Management Review*, 16(1), 145-179.

- OneSight. (2012). About us. Retrieved from [http://www.onesight.org/eur/about\\_us/](http://www.onesight.org/eur/about_us/) (accessed on Oct 2012).
- Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2003). Corporate social and financial performance: A meta-analysis. *Organization Studies*, 24(3), 403-441.
- Palazzo, G., & Scherer, A. G. (2006). Corporate legitimacy as deliberation: A communicative framework. *Journal of Business Ethics*, 66(1), 71-88.
- Papasolomou, I., & Kitchen, P. J. (2011). Cause related marketing: Developing a tripartite approach with BMW. *Corporate Reputation Review*, 14(1), 63-75.
- Partners in Preservation. (2012). American Express partners in preservation. Retrieved from <http://about.americanexpress.com/csr/pip.aspx> (accessed on Oct 2012).
- Pava, M. L., & Krausz, J. (1997). Criteria for evaluating the legitimacy of corporate social responsibility. *Journal of Business Ethics*, 16(3), 337-347.
- Payne, A., Ballantyne, D., & Christopher, M. (2005). A stakeholder approach to relationship marketing strategy: The development and use of the “six markets” model. *European Journal of Marketing*, 39(8), 855-871.
- Payne, A., Storbacka, K., & Frow, P. (2008). Managing the co-creation of value. *Journal of the Academy of Marketing Science*, 36(1), 83-96.
- Peloza, J., White, K., & Shang, J. (2013). Good and guilt-free: The role of self-accountability in influencing preferences for products with ethical attributes. *Journal of Marketing*, 77(1), 104-119.
- Plan A. (2011). How we do business report 2011. Retrieved from [http://plana.marksandspencer.com/media/pdf/how\\_we-do\\_business\\_report\\_2011.pdf](http://plana.marksandspencer.com/media/pdf/how_we-do_business_report_2011.pdf) (accessed on May 2012).
- Porter, M. E., & Kramer, M. R. (2006). Strategy and society: The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 84(12), 78-92.

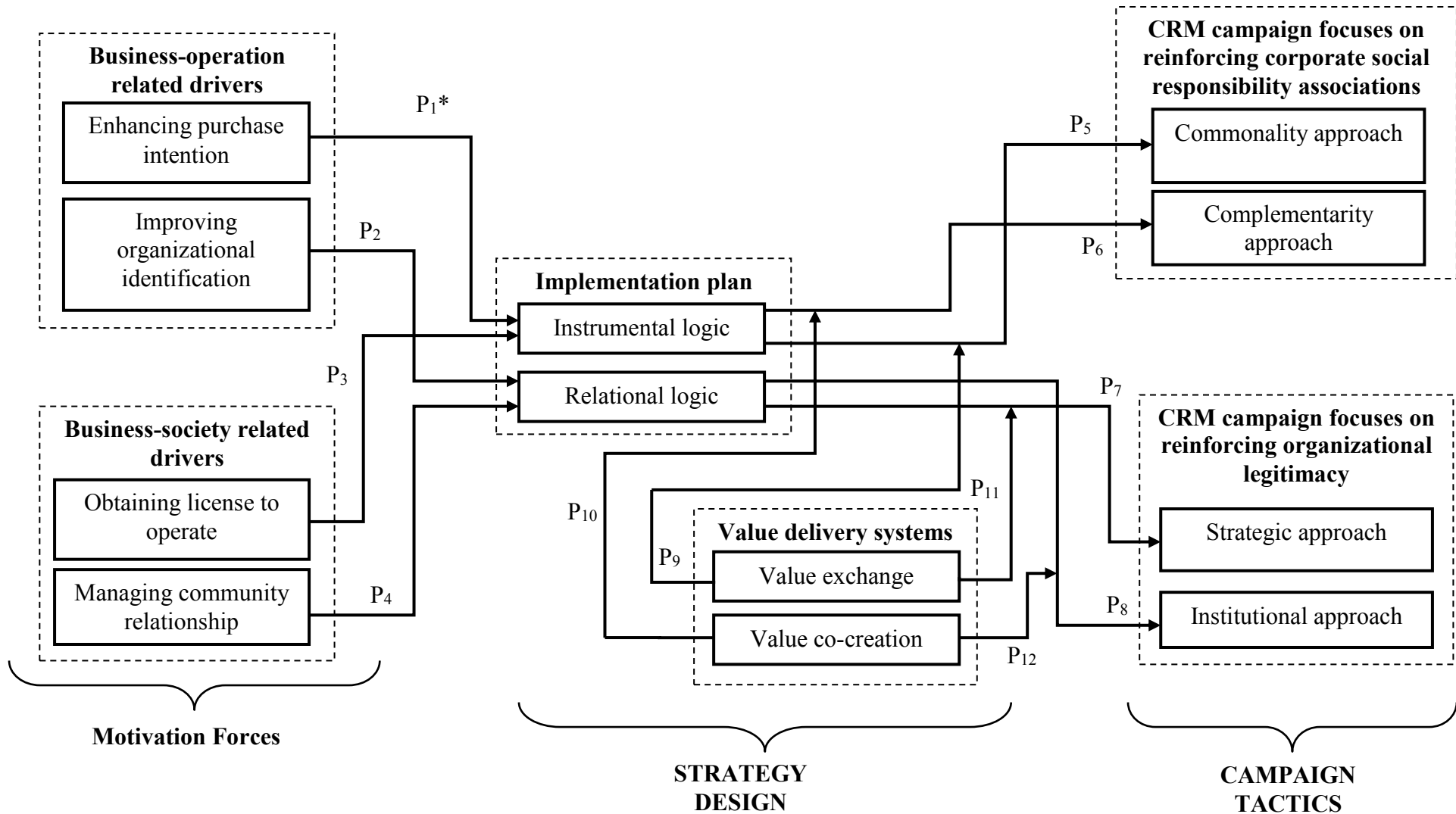


- Powell, S. M. (2011). The nexus between ethical corporate marketing, ethical corporate identity and corporate social responsibility: An internal organisational perspective. *European Journal of Marketing*, 45(9/10), 1365-1379.
- Pracejus, J. W., & Olsen, G. D. (2004). The role of brand/cause fit in the effectiveness of cause-related marketing campaigns. *Journal of Business Research*, 57(6), 635-640.
- Prahalad, C. K., & Ramaswamy, V. (2004a). Co-creation experiences: The next practice in value creation. *Journal of Interactive Marketing*, 18(3), 5-14.
- Prahalad, C. K., & Ramaswamy, V. (2004b). *The future of competition: Co-creating unique value with customers*. Boston, MA: Harvard Business School Press.
- Ptacek, J. J., & Salazar, G. (1997). Enlightened self-interest: Selling business on the benefits of cause-related marketing. *Nonprofit World*, 15(4), 9.
- Robinson, S. R., Irmak, C., & Jayachandran, S. (2012). Choice of cause in cause-related marketing. *Journal of Marketing*, 76(4), 126-139.
- Russo, A., & Tencati, A. (2009). Formal vs. informal CSR strategies: Evidence from Italian micro, small, medium-sized, and large firms. *Journal of Business Ethics*, 85(2), 339-353.
- Saia, D. H., Carroll, A. B., & Buchholtz, A. K. (2003). Philanthropy as strategy. *Business & Society*, 42(2), 169-201.
- Sen, S., & Morwitz, V. G. (1996). Consumer reactions to a provider's position on social issues: the effect of varying frames of reference. *Journal of Consumer Psychology*, 5(1), 27-48.
- Singh, J., Jayanti, R. K., Kilgore, J. E., Agarwal, K., & Gandarvakottai, R. R. (2005). What goes around comes around: Understanding trust-value dilemmas of market relationships. *Journal of Public Policy & Marketing*, 24(1), 38-62.

- Smidts, A., Pruyn, A. T. H., & Van Riel, C. B. M. (2001). The impact of employee communication and perceived external prestige on organizational identification. *Academy of Management Journal*, 44(5), 1051-1062.
- Smith, C. (1994). The new corporate philanthropy. *Harvard Business Review*, 72(3), 105-116.
- Smith, S. M., & Alcorn, D. S. (1991). Cause marketing: A new direction in the marketing of corporate responsibility. *Journal of Consumer Marketing*, 8(3), 19-35.
- Strahilevitz, M. (1999). The effects of product type and donation magnitude on willingness to pay more for a charity-linked brand. *Journal of Consumer Psychology*, 8(3), 215-241.
- Strahilevitz, M., & Myers, J. G. (1998). Donations to charity as purchase incentives: How well they work may depend on what you are trying to sell. *Journal of Consumer Research*, 24(4), 434-446.
- Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20(3), 571-610.
- Svensson, G., & Wood, G. (2007). Cause related marketing? commercialism or altruism: Finding the balance? *International Journal of Electronic Customer Relationship Management*, 1(3), 231-241.
- Svensson, G., & Wood, G. (2011). Cause related marketing: reflections on the first twenty years. *The Magnus Journal of Management*, 1(4), 54-64.
- Szykman, L. R., Bloom, P. N., & Blazing, J. (2004). Does corporate sponsorship of a socially-oriented message make a difference? An investigation of the effects of sponsorship identity on responses to an anti-drinking and driving message. *Journal of Consumer Psychology*, 14(1-2), 13-20.
- Trimble, C. S., & Rifon, N. J. (2006). Consumer perceptions of compatibility in cause related marketing messages. *International Journal of Nonprofit and Voluntary Sector Marketing*, 11(1), 29-47.

- Van de Ven, B. (2008). An ethical framework for the marketing of corporate social responsibility. *Journal of Business Ethics*, 82(2), 339-352.
- Varadarajan, P. R., & Menon, A. (1988). Cause-related marketing: A coalignment of marketing strategy and corporate philanthropy. *Journal of Marketing*, 52, 58-74.
- Waitrose. (2012). Our charitable contributions. Retrieved from <http://www.johnlewispartnership.co.uk/csr/our-community/charitable-giving.html> (accessed on May 2012).
- Whysall, P. (2000). Addressing ethical issues in retailing: A stakeholder perspective. *International Review of Retail, Distribution and Consumer Research*, 10(3), 305-318.
- Wood, D. J. (1991). Corporate social performance revisited. *Academy of Management Review*, 16(4), 691-718.
- World Monuments Fund. (2012). Core programs. Retrieved from <http://www.wmf.org/content/about-us> (accessed on Oct 2012).
- Zimmerman, M. A., & Zeitz, G. J. (2002). Beyond survival: Achieving new venture growth by building legitimacy. *Academy of Management Review*, 27(3), 414-431.

**Figure 1: Conceptual Framework for Cause-Related Marketing Strategy Development**



Note:  
\*Research proposition

**Table 1: Research Propositions and Case Examples**

#	Suggested Relationship	Case Descriptions	Relationship Highlighted in the Case
P <sub>1</sub>	Enhancing purchase intention → Instrumental logic	<b>Avon's Crusade against Breast Cancer campaign:</b> Avon created a unique product line for its customers who can choose to donate to the cause by purchasing the items in this selected project line to enhance customers' purchase intention regarding Avon's products.	Motivates to increase the purchasing of Avon's products → Design a CRM strategy to differentiate Avon's products from those of its competitors
P <sub>2</sub>	Improving organizational identification → Relational logic	<b>Danone Baby Nutrition's Employee Volunteering program campaign:</b> Danone Baby Nutrition encourages employees to volunteer to support the local community by offering them paid volunteering days each year to improve their feeling of belongingness and attachment to the company.	Motivates to increase employees' feeling of belonging to and identification with Danone Baby Nutrition → Design a CRM strategy to enhance employees' trust in Danone Baby Nutrition
P <sub>3</sub>	Obtaining license to operate → Instrumental logic	<b>Multinational Corporations' Investment in a Community initiatives campaign:</b> Many multinational corporations have been investing in community initiatives in exchange for the host governments of developing countries showing favor toward their business operations in that country.	Motivates to increase the chance that local residents will grant permission to allow multinational corporations to carry out business activities in the local area → Design a CRM strategy to differentiate the focal multinational corporation from its competitors
P <sub>4</sub>	Managing community relationship → Relational logic	<b>Asda's Sport Chance campaign:</b> Asda supports local community sports providers to provide children with an opportunity to participate in free sport sessions throughout the UK in the process of developing close relationships with members of the local community	Motivates to manage Asda's relationship with the members of the local community → Design a CRM strategy to enhance the community members' trust in Asda
P <sub>5</sub>	Instrumental logic → Commonality approach	<b>LensCrafters' Give the Gift of Sight campaign:</b> LensCrafters (an optical product provider) collaborated with OneSight (a charitable organization that provides free eye care) in this initiative to provide better sight for people around the world.	Design a CRM strategy to differentiate LensCrafters' products from those of its competitors → Adopt a CRM campaign tactic to reinforce the CSR association with LensCrafters' brand by choosing OneSight, whose brand has a high degree of similarity with LensCrafters' brand
P <sub>6</sub>	Instrumental logic → Complementarity approach	<b>Waitrose's Community Matters campaign:</b> Each month, every Waitrose (grocery retailer) branch donates a total of £1,000 (£500 for their convenience shops) to three local causes (e.g., education, community services) that members in the local community chosen.	Design a CRM strategy to differentiate Waitrose's product from those of its competitors → Adopt a CRM campaign tactic to reinforce the CSR association with Waitrose' brand by choosing a variety of local causes whose brands have a low degree of similarity with the Waitrose brand
P <sub>7</sub>	Relational logic → Strategic approach	<b>American Express Corporation's Partners in Preservation campaign:</b> The American Express Corporation (financial service firm) collaborates with the National Trust and World Monuments Fund to preserve global historic and cultural landmarks and strengthen local communities through preservation efforts.	Design a CRM strategy to enhance people's trust in the American Express Corporation → Adopt a CRM campaign tactic to reinforce the organizational legitimacy by influencing people's expectations (from transparency and risk management to historic and environmental conservation) about the firm
P <sub>8</sub>	Relational logic → Institutional approach	<b>Marks and Spencer's Plan A campaign:</b> Marks and Spencer (retailer) works with different local stakeholders to provide ongoing support for different community initiatives (plans).	Design a CRM strategy to enhance people's trust in Marks and Spencer → Adopt a CRM campaign tactic to reinforce organizational legitimacy by conforming people's expectations (retailers should cater for local needs) about the firm
P <sub>9</sub>	Instrumental logic-Commonality approach relationship moderated by value exchange	<b>Further discussion of LensCrafters' Give the Gift of Sight campaign:</b> LensCrafters decided internally to choose OneSight as a partner for its CRM campaign to differentiate their brand in the optical market through collaborating with OneSight in exchange for its target audiences' favorable evaluation of its brand.	Moderating role of value exchange: in this campaign, the choice of OneSight as a CRM partner and the development of this CRM campaign involved little or no interaction with LensCrafters' customers
P <sub>10</sub>	Instrumental logic-Complementarity approach relationship moderated by value co-creation	<b>Further discussion of Waitrose's Community Matters campaign:</b> Waitrose provides people with an opportunity to participate in choosing which local causes Waitrose supports. Waitrose and its target audiences co-create value in this cause-related marketing campaign.	Moderating role of value co-creation: in this campaign, the choice of CRM partners and the development of this CRM campaign involved involve a great number of the Waitrose's target audience's participation
P <sub>11</sub>	Relational logic-Strategic approach relationship moderated by value exchange	<b>Further discussion of American Express Corporation's Partners in Preservation campaign:</b> American Express Corporation takes control of the legitimization process to influence their target audiences' expectations about itself by making their cause-related marketing campaign related decisions internally without the target audiences' participation.	Moderating role of value exchange: in this campaign, the choice of the National Trust and World Monuments Fund as the CRM partner and the development of this CRM campaign involved little or no interaction with American Express Corporation's customers
P <sub>12</sub>	Relational logic-Institutional approach relationship moderated by value co-creation	<b>Further discussion of Marks and Spencer's Plan A campaign:</b> Marks and Spencer invites its target audiences to co-construct programs to support a specific cause to suit their own passion and desire to support particular needs in society. The value of this cause-related marketing campaign is jointly created by Marks and Spencer and its target audiences.	Moderating role of value co-creation: in this campaign, the choice of CRM partners and the development of this CRM campaign involved a great number of Marks and Spencer's target audience's participation.